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DEPARTMENT OF STATE

WASHINGTON

July 23, 1957

Dear Mr. White:

Your letter of June 27, 1957, referred to problems of administration and adverse effects on employee morale following recent amendments to the Standardized Regulations regarding transfer and separation allowances.

Advance notification was not issued on the amendment to the separation allowance regulations, effective March 14, 1957, as it incorporated into the Standardized Regulations a series of guides to administration in accordance with the intent of the basic law. No change was made in the monetary rates or in requirements governing eligibility for the allowance. The guides had been given to all agencies in 1953 and presumably were being followed. Where a revision of the regulations involves only clarification of language and does not affect payment rates, the preparation and distribution of advance notifications would seem to be unnecessary.

There was little advance notice of the reduction in transfer allowances because of the unusual conditions that made the action necessary. As stated in the communication of April 30, sent to all agencies and Foreign Service posts and making the reduction effective on May 1, 1957, the House Committee on Appropriations left no doubt that immediate reduction of the allowance should be made. We did not think it advisable to delay the effective date long enough to provide the usual ten days' advance notice. I regret any inconvenience that may have been caused by the abrupt reduction.

Changes in the Standardized Regulations, as you suggested, to permit continuation of benefits for employees of one agency beyond the effective date of reduction for other agencies would create a

disparity in

Mr. L. K. White,  
Deputy Director,  
Central Intelligence Agency,  
Washington 25, D. C.

- 2 -

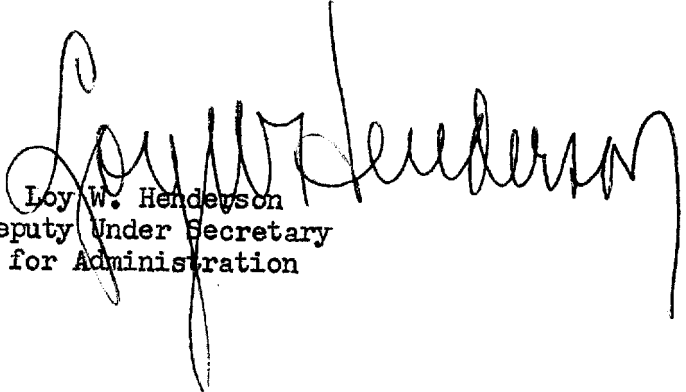
disparity in allowance payments to employees living under identical conditions. This would be unfair to the majority of Government civilian employees overseas and would be outside the intent of the legislation and Executive Orders on which presently uniform allowances are based. Since the allowance program has Government-wide applicability, adherence to a fixed date is necessary in determining eligibility and payment rates for any of the several allowances.

A requirement of at least thirty days' advance notice of all allowance amendments would work to the disadvantage of employees in the field whenever increases in allowances are justified. When changed conditions at a post justify higher allowances, some time must elapse while a report is sent to the Department, analyzed, and an appropriate change made in the allowance rate by amendment to the Standardized Regulations. Current procedures allow for ten to fourteen days' advance notice, after approval by the Secretary. Any greater delay would penalize employees unnecessarily. From time to time suggestions have been received that decreases in allowances be made effective only after thirty or sixty days' advance notice. It is a long-standing principle in Government fiscal administration, however, that the same rules must be followed in increasing the Government's obligations as are followed in decreasing them.

While I believe it to be inadvisable to change our present system of advance notification for the regular monthly amendments in allowance rates, I am sure it will be practicable to allow up to sixty days' advance notice when substantive amendments to the Standardized Regulations are being made. This will allow time for disbursing offices and administrative officials to become familiar with the changes being made well ahead of the effective date. I am asking that such a policy of advanced effective dates be followed in all cases except in those unusual circumstances where an early effective date seems definitely to be required.

I appreciated your remarks regarding cooperation between your office and the Allowances Division, and I am confident that this close cooperation will continue.

Sincerely yours,

  
Loy W. Henderson  
Deputy Under Secretary  
for Administration